

Message Text

CONFIDENTIAL

PAGE 01 BERN 01045 101119Z

50

ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 DODE-00 CIAE-00 INR-07

NSAE-00 PM-03 TRSE-00 MC-02 OMB-01 L-02 H-02 IGA-01

/038 W

----- 104588

R 101050Z MAR 75

FM AMEMBASSY BERN

TO SECSTATE WASHDC 375

INFO AMEMBASSY VIENNA

AMCONSUL ZURICH

C O N F I D E N T I A L BERN 1045

E.O. 11652: GDS

TAGS: BEXP MASS ETRD SZ

SUBJECT: SALE TO SWITZERLAND OF F-5E AIRCRAFT

REF: A) BERN 832 B) BERN 776

1. DURING MARCH 7 DISCUSSIONS WITH LETTER OF OFFER TEAM, SWISS FOR FIRST TIME FORMALLY RAISED QUESTION OF US PROCUREMENT IN SWITZERLAND AS "OFFSET" OR "COMPENSATION" FOR SWISS EXPENDITURES IN US FOR F-5E PROGRAM. SWISS ARMAMENTS AGENCY (GRD) SPOKESMAN (RENE HUBER) SAID THEIR STUDIES HAD CONVINCED THEM THAT SWISS PARTICIPATION IN MANUFACTURE OF COMPONENTS FOR F-5E WOULD NOT RPT NOT BE ECONOMIC. IN ORDER OBTAIN NECESSARY APPROPRIATIONS FROM PARLIAMENT, HOWEVER, GRD FEELS IT NEEDS SWISS INDUSTRY SUPPORT AND WOULD LIKE TO EXPLORE POSSIBILITIES OF USG AND OR US INDUSTRY PURCHASES IN SWITZERLAND OF PRODUCTS UNRELATED TO F5-E.

2. HUBER INDICATED SWISS THINKING STILL VAGUE ON HOW TO ACCOMPLISH THIS OBJECTIVE. HE SUGGESTED INITIAL STEP WOULD BE SOME TYPE OF GOVERNMENT-TO-GOVERNMENT AGREEMENT ON GENERAL PRINCIPLES, PERHAPS BETWEEN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BERN 01045 101119Z

USDOD AND GRD. THIS AGREEMENT WOULD BE FOLLOWED BY

MORE SPECIFIC ARRANGEMENTS ON INDUSTRY-TO-INDUSTRY LEVEL. HUBER SAID GRD RECOGNIZES THAT ONLY COMPETITIVE SWISS PRODUCTS COULD BE CONSIDERED IN SUCH ARRANGEMENTS. IF SWISS FRANC/DOLLAR EXCHANGE RATE MAKES IT IMPOSSIBLE FIND COMPETITIVE PRODUCTS, THEN SWISS MAY ASK FOR OTHER "COMPENSATION" SUCH AS MODIFICATION OF BUY AMERICAN LEGISLATION, DUTY-FREE TREATMENT FOR CERTAIN SWISS GOODS, OR OTHER US ACTION TO BENEFIT SWISS INDUSTRY.

3. DURING FORTHCOMING TRIP TO WASHINGTON, GRD CHIEF CHARLES GROSSENBACHER PLANS TO DISCUSS "COMPENSATION" IDEA WITH DOD OFFICIALS AS WELL AS WITH NORTHROP AND GE. HUBER SAID SWISS HAVE NOT YET DECIDED IF GROSSENBACHER SHOULD ALSO TALK TO STATE AND COMMERCE OFFICIALS.

4. COMMENT: WE DOUBT THAT THESE IDEAS HAVE AS YET BEEN THOROUGHLY DISCUSSED THROUGHOUT GOS SINCE WE ASSUME DIVISION OF COMMERCE TRADE POLICY OFFICIALS WOULD RECOGNIZE THAT SPECIAL PREFERENTIAL ARRANGEMENTS FOR SWISS GOODS IN US ARE MOST UNLIKELY AND THAT USG COULD HARDLY BE EXPECTED PLAY DIRECT STATE TRADING ROLE IN ANY KIND OF COMPENSATORY PURCHASE ARRANGEMENTS. THUS WE STILL HOPE THAT WITH GROSSENBACHER USG OFFICIALS WILL TAKE LINE SUGGESTED PARA 3 REFTEL B AND NOT UNDULY RAISE SWISS HOPES THAT SOME SORT OF COMPENSATING ARRANGEMENT FEASIBLE. EMBASSY BELIEVES THAT EVEN IF SOME TYPE OF "COMPENSATION" ARRANGEMENT SHOULD BE POSSIBLE, IT WOULD ONLY BE MINOR ELEMENT IN HELPING GRD SELL F5-E PURCHASE TO PARLIAMENT. WHILE LABOR AND INDUSTRIAL GROUPS PRESSING GOS IN ALL POSSIBLE CONTEXTS TO TAKE STEPS IMPROVE COMPETITIVE POSITION OF SWISS EXPORT GOODS, COST OF F-5E PROGRAM AND SWISS BUDGETARY SITUATION WILL BE THE CRUCIAL CONSIDERATIONS IN FINAL SWISS DECISION.
DAVIS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY PROCUREMENT, FIGHTER AIRCRAFT, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BERN01045
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750083-0250
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750368/aaaaciur.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 BERN 832, 75 BERN 776
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2003 by KelleyW0>; APPROVED <14 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SALE TO SWITZERLAND OF F-5E AIRCRAFT
TAGS: BEXP, MASS, ETRD, SZ, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006